GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:3228
ANSWERED ON:12.05.2006
LOSSES OF PSBS
Singh Shri Chandra Bhushan;Tripathy Shri Braja Kishore

Will the Minister of FINANCE be pleased to state:

(a) whether the Government has decided to write off the entire accumulated losses of United Bank of India and Indian Bank;

(b) if so, the details thereof and the reasons therefor;

(c) whether the Government received similar proposals from other public sector banks; and

(d) if so, the details thereof?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL)

(a) & (b) With a view to strengthen their balance sheets, facilitate their adopting Basel II prescriptions, meet their future capital requirements through Initial Public Offer, instill confidence among investors for investing in their shares and to enable them to expand their business, Government has decided to net off the entire accumulated losses of Indian Bank and United Bank of India against their equity capital.

(c) No, Sir.

(d) Does not arise.